

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000006
Hearing Date: 2 February 2024
Division/Agency: Plant & Live Animal Exports Welfare & Regulation (PLAEWR) G2
Topic: Written QoN 1 - Export Legislation Aims
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

Can DAFF summarise briefly how the new export legislation is meeting its core aims in relation to agricultural goods: Supporting international trading markets; protecting Australia's global trading reputation; responding to changes in technology and requirements; improving the efficiency of export procedures.

Answer:

The new export control legislative framework which consists of the *Export Control Act 2020* (the Act) and the Export Control Rules (Rules) commenced in March 2021. Prior to this, export requirements were spread over 17 Acts and 45 rules, regulations and orders.

The benefits of the new legislation include:

- more relevant, responsive and efficient processes for exporters, primary producers and others in the export supply chain
- less administrative duplication
- streamlined regulatory requirements.

The department continues to evaluate the performance of the new legislative framework. As the result of an evaluation, recent improvements to simplify information sharing under the Act commenced on 1 February 2024. This change enables relevant information collected under the Act to be shared in a more efficient and timely manner.

The amendments directly support Australian exporters in existing and emerging markets where export information may be required to be shared quickly with the importing country. The benefit of this cannot be underestimated. For instance, if a consignment is being held at the receiving port due to further information being required, the amendments provide greater flexibility to quickly action the request, enhancing Australia's reputation as a responsive trade partner.

The department biannually seeks information from industry and other stakeholders on proposed improvements to the administrative and operational procedures in the various export control rules. This public consultation ensures the export rules, which are commodity based, remain effective, efficient and fit for purpose for those using them. For example, changes to export control rules were made to improve the administrative processes in relation to loading/unloading of livestock in cases where a suspicion of disease may occur; and to enact the benefits of the Australia-United Kingdom Free Trade Agreement so they could be realised quickly.

Further information about how reviews and amendments to the export control legislative framework enable the framework to meet its core aims is available through relevant Annual Reports available from the Department of Agriculture, Fisheries and Forestry (the department) website, <https://www.agriculture.gov.au/about/reporting/annual-report>.

Further information on the recent amendments to the Act is available on the department's website.

<https://www.agriculture.gov.au/biosecurity-trade/market-access-trade/improved-export-legislation>

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000007
Hearing Date: 2 February 2024
Division/Agency: Plant & Live Animal Exports Welfare & Regulation (PLAEWR) G2
Topic: Written QoN 2 - Export Legislation Obstacles
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

What were the greatest obstacles to transitioning from the previous export legislation?

A) Has the new legislation had a positive impact on the Ag2030 plan for Australia's agriculture sector to become a \$100 billion industry by 2030? Has this target become closer and by how much?

Answer:

The *Export Control Act 1982* and its legislative framework had been amended over time, and by 2019 consisted of 17 Acts and 45 Rules, Regulations or Orders. Following review, a new framework was implemented to reduce unnecessary duplication and regulation and to increase flexibility to respond to stakeholder needs in a changing trade environment.

Challenges faced by the department in implementing the revised legislative framework related to ensuring appropriate and effective internal administrative arrangements were in place to support the transition; that stakeholders including exporters and those in the supply chain, other government agencies and third parties who operate within the legislative framework were supported with communication and information about the change; and that the new legislation supported both existing international obligations while being flexible enough to allow for potential future changes in the trade environment. The department continues to work to grow new trade and market access for agricultural producers.

The NFF's Ag2030 goal is dependent on a number of factors including industry productivity and efficiencies, competition and global market conditions. While it is too soon to quantify the overall benefits from the reformed legislative framework, particularly in relation to the industry's Ag 2030 goal, the new framework has already accommodated changes to quota arrangements with both the United Kingdom and India following Free Trade Agreements, making it easier for farmers to access these markets at a lower tariff rate. Further details of the quotas can be found in the respective export control rules at [Sheepmeat and goatmeat quotas \(EU and UK\) - DAFF \(agriculture.gov.au\)](#) and the [Tariff rate quota general - DAFF \(agriculture.gov.au\)](#).

Reducing regulation and streamlining processes under the new legislative framework contributes to the ability to adapt quickly to emerging trade opportunities which in turn supports our agricultural producers to meet their own goals and targets.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000008
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 3 - ANAO Framework
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

While the ANAO found that your governance framework was largely appropriate to support the legislation implementation, it noted that your project risk plans were lacking in relation to risk tolerance and shared risk management.

A) DAFF's risk tolerance ratings were found to be subjectively applied. How is this a problem and how is the department addressing this going forward?

B) The audit noted that while there were shared risks with industry, the community and other jurisdictions or governments, DAFF had not conducted the shared risk assessment mandated by the Commonwealth Risk Management Policy (CRMP). Why is this important and how is it being addressed? [Audit Recommendation 1]

Answer:

A) The department has undertaken a number of actions.

These actions have included reviewing and updating the department's enterprise risk management framework, guidance policy, and tools to ensure alignment with the Commonwealth's risk management framework. The review has resulted in:

- development of standardised and objective criteria for assessing risk tolerance, to improve staff application and stakeholder understanding.
- improved training products and resources to improve staff skills and knowledge in applying risk tolerance ratings accurately and consistently.
- implementing review processes to ensure risk tolerance ratings remain relevant and are being managed in alignment with departmental objectives and priorities.
- developing a culture of transparency and accountability by improving documentation of rationale behind risk ratings, standardising criteria and improving accessibility to relevant stakeholders.

B) The department has approval and monitoring measures in place to mitigate risks with those who perform work on behalf of the department under the *Export Control Act 2020* and to support meeting importing country certification requirements including;

- a. establishment Registration and Approved Arrangements.
- b. approval of Authorised officers who perform work on behalf of the Department.
- c. inspection of product.
- d. auditing of Establishments.
- e. auditing of entities approved to perform functions on behalf of the department.

The work to establish a consolidated list of risks to address this recommendation is expected to be implemented by October 2024.

The department believes that by implementing these measures, the department's ability to effectively manage risks more efficiently and responsibly will be improved.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000009
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 4 - Risk Management
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit report noted that DAFF had engaged with KPMG to review and develop a revised Enterprise Risk Management Framework Policy (ERMFP) to ensure that it was fit for purpose. Does this revised policy clearly identify how project risks will be managed as suggested by ANAO?

Answer:

1. The revised ERMFP and guidance outlines the department's enhanced approach to risk management including the process for identifying and managing project risks. As set out in the Department's 2023-24 Corporate Plan, the framework defines the department's risk appetite and provides risk tolerance statements. These articulate the amount and type of risk we are willing to accept or retain.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000010
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 5 - ANAO Recommendation 2
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit report noted that DAFF had not fully complied with the requirements to publish annual or multi-year compliance plans for the new framework. ANAO further flagged that there was room for improvement when undertaking compliance audits for export operators. [Audit Recommendation 2]

A) Are all of the compliance plans required under the legislation now available and do they meet the suggested requirements of the ANAO?

B) What changes have been made to the conduct of DAFF's compliance audits as a result of ANAO's findings [Table 2.4 and 2.5] and recommendations?

C) Has DAFF specifically addressed ANAO's finding that it was not effective at meeting the requirements for audit reporting when a non-compliance had been identified?

Answer:

- A. As discussed in the ANAO report and identified in the department's 2021-22 corporate plan the department is revising its compliance and regulatory system over four years.

The department is in the process of drafting a compliance plan for the export regulatory system. The plan will articulate the current priorities and assurance processes that underpin the Export Control Regulatory System. The compliance plan will be distributed to all internal stakeholders from April and finalised in June 2024 to influence 2024-2025 assurance priorities.

- B. The department's new audit management system has been configured to include the general requirements, identified in table 2.4 and contained within the *Export Control Act 2020*. The audit management system is being configured to address the specific rule requirements for select commodity types as outlined in Table 2.5 of ANAO's report. It is expected that this work will be completed by December 2024.
- C. The department's work to revise its compliance and regulatory system includes upgrading IT and business processes. The department's new audit system can be configured to include automated messaging to ensure that non-compliances with the legislative requirements for each commodity result in audit reporting. The department is additionally working to ensure that information is presented via data dashboards that supports business analytics and regulatory decision making for managing non-compliances. These requirements are anticipated to be delivered as each commodity is integrated to the new system. The audit management system enhancements are expected to be completed by December 2024.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000011
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 6 - ANAO Recommendation 3
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The ANAO found that high-risk instructional materials for internal use were updated to support implementation but materials rated as low and medium risk were not. Also, the audit noted that DAFF had not complied with its instructional material policy to review materials every two years. [Audit Recommendation 3]

A) Has the department now addressed this to ensure that all instructional materials are up to date and fit for purpose for its staff?

Answer:

Recommendation 3 of the ANAO report into the implementation of the *Export Control Act 2020* (the Act) is:

The Department of Agriculture, Fisheries and Forestry ensure policies and processes are up-to-date, reflective of current legislation, fit-for-purpose and are operating as intended for both its internal instructional materials and external website content.

The ANAO audit highlighted that the existing policy for the development and maintenance of exports instructional material set unrealistic and unnecessarily stringent parameters and time frames for the review of instructional material. In particular, the imposition of the same approval level and review periods for all documents (whether they be low or high-risk) was found to make little operational sense for resource allocation and risk management.

Subsequent to the ANAO audit the department has undertaken a comprehensive review of the approach to the development and maintenance of exports instructional material and updated the policy to set a risk-based approach. The new policy now mandates review periods for instructional material based on risk – 2 years for high risk, 3 years for medium risk, and 4 years for low risk. In addition, the new policy mandates approval levels for the publication and archiving of instructional material based on the risk. This will assist in clearing approval backlogs. The policy also mandates co-authorship by operational areas and legal review (as required and relevant) to ensure that all instructional material is fit for purpose.

To support programs manage their instructional material monthly reporting on the status of instructional material has been implemented. Assignment of a risk framework to instructional material will support program areas to balance their resource allocation across review of instructional material and other operational requirements, including addressing the urgent matters associated with biosecurity incidences, changing importing country requirements, and the impact of global conflict on trade.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000012
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 7 - DAFF Webpages
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

ANAO further found uncertainty in DAFF about how many of its webpages were not reflective of the revised legislative framework. Has this now been addressed?

Answer:

A risk assessment of external department external webpages was provided to the ANAO. The assessment noted that as of 17 June 2022 there were 25 departmental webpages that referenced repealed legislation either directly or through hosted documents. Seventeen of these have now been updated and the remaining updates are being progressed.

In addition, several webpages and embedded documents were found to include 'point-in-time' references to the repealed export legislation, such as review reports, point in time assessments, publications, and media releases. These materials were considered appropriate and were excluded from the risk assessment.

For the 25 webpages making references to repealed legislation (either directly or by hosting documents), risk was assessed as low based on the department's enterprise risk management framework and policy. The key risk noted was that 'readers might be directed to repealed legislation'. However, the occurrence of this risk was deemed 'unlikely' as the external webpages hosting repealed export legislations direct users to new legislation by advising that the legislation is 'not in force', often in bold red font. Consequences for all risks identified were rated as minor.

Given the low risk associated with the external website resources were directed to updating instructional material required for the implementation of the *Export Control Act 2020*.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000013
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 8 - IT Changes
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit states that planning for IT changes were not fully coordinated, delaying their implementation, and that records related to IT changes were not documented or maintained in a systematic and accessible form. [Audit Recommendation 4]

A) How has the department address these issues?

Answer:

The Digital Services Division (DSD) created a suite of IT Project artefacts, which:

- clearly identifies and articulates **Roles** and **Responsibilities** including those of Business Owner, Systems Owner, and the role of DSD,
- documents the **IT project workflows** throughout the project life cycle (including Change Management),
- documents **Costing arrangements**,
- outlines the relevant delivery **policies and recordkeeping requirements**, and
- implement a **quality assurance program** to check conformance to governance requirements.

The IT Project artefacts articulate specific priorities, assurance activities, and milestones, making sure the framework remains effective throughout the whole project lifecycle, and leans on the department's ICT Wholesale/Retail model.

Examples of the artefacts published and processes followed include:

- The Enterprise Program Management Office (EPMO) intranet site contains information and resources as it relates to business project roles and responsibilities including the EPMO Project management framework.
- The DSD Project Management Office (PMO) intranet site contains information and resources as it relates to roles and responsibilities for IT project delivery:
 - DSD end to end project life cycle (alignment with the DAFF project management framework).
 - Process diagram (swim lane) that covers the end-to-end DSD project life cycle.
Tiering-based RACI diagram for ICT projects.
- The Change Management intranet site contains information and resources as it relates to roles and responsibilities within the IT Change management processes including the DAFF ITSM ICT Change Management Process.

- The DSD Project Management Office (PMO) intranet site contains information and resources as it relates to the workflow of IT projects throughout the project life-cycle:
 - DSD end to end project life cycle (alignment with the DAFF project management framework).
 - Process diagram (swim lane) that covers the end-to-end DSD project life cycle.
 - Project artefacts designed to assist project managers with project planning, project delivery and governance, reporting, and closure.
- The Service Transition intranet site contains information and resources to define the requirements for a new or updated service to be brought into production and supported as part of Business as usual (BAU).
- The Corporate Finance intranet site contains information to assist with project costings including a Capex Opex Guidance document.
- DSD has robust methods for comprehensively collating costs for ICT services. The Request for Service intranet site contains information to assist areas initiate a request for an ICT project including forms used to capture business requirements. The Business Engagement team coordinate with the various DSD technical areas to complete the associated detailed costings. Depending on the activity selected, costings are allocated to Capex or Opex. The proposal and completed costings document are provided to the requestor for review, and for them to provide their funding authorisation should they wish to proceed with the IT project.
- The DSD PMO uses the approved DSD Costings document to inform all financial artefacts during project initiation, such as the Authority to Proceed document sent to the Senior Responsible Officer.
- The DSD PMO intranet site contains a costings document to assist project managers quantify project change requests particularly when there is a change to the budget. This document is modelled on the DSD Costing Template. The Project Change Request document also clearly defines the Capex/Opex split.
- The DSD PMO creates a CM9 container for the records management of key project documents. All DSD PMO templates have a requirement to identify the unique CM9 container identifier as the repository of project information.
- The DSD PMO Project Closure Report template collects project artefacts and their locations (CM9, SharePoint, etc) on closure of the project.
- The IT Change Management process has robust record keeping processes. SM9 is the repository for records pertaining to IT Change Releases. DSD conducted an evaluation of the 3 changes that were audited and there is traceability to requisite approvals and closures.
- The Enterprise Project Management Office have developed a Project Information Management Plan available on the DAFF Intranet.
- The DSD PMO conducts monthly status reporting on DSD projects. Project status tolerances are published on the DSD PMO intranet site and are sent out with the requests for monthly project status updates.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000014
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 9 - Performance Indicators
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit noted that there were six anticipated benefits from the new legislative framework identified by DAFF that would be measured through 18 performance indicators: Streamlined and consolidated existing legislation; maintaining the current baseline for regulating exports, allowing for continuity on a number of commodity specific administrative issues and the setting of standards for export related matters; improved management for export certifications; clearer powers for verification activities such as audits and inspections; a broader range of monitoring, investigation, and enforcement powers; the ability to manage consequential and transitional matters arising from the enactment of the improved legislation. ANAO stated however that none of these indicators had targets or specified when the benefit would be achieved [Audit Recommendation 5]

- A) Have targets and timelines now been established for these indicators and what are they?
B) Have the indicators themselves needed to change?

Answer:

- A) The ANAO recommended that the department develop milestones to ensure that the intended benefits of the revised legislative framework can be measured and monitored.
- As the legislation commenced in March 2021, the department has not developed milestones. Doing this retrospectively would be of limited value.
 - The department has focused on embedding its benefits management approach and utilising ongoing monitoring and evaluation of the export control legislative framework to ensure it meets the objects of the Act and aligns with good regulatory practice.

The Agriculture Trade group has taken steps to embed a benefits management approach to export reform.

- A Portfolio Benefits Management Strategy was developed that is consistent with Department of Finance guidelines.
- These benefits management arrangements are fully implemented and the department is successfully applying the benefits management strategy to new export reform projects.
- The Portfolio Benefits Management Strategy guides consistency in benefits management by initiatives and projects and ensures that benefits are aligned with strategic priorities. It sets out how the Group will demonstrate value creation by monitoring and reporting benefits through identified standard measures.

The department is currently undertaking significant digital reform of agricultural export systems that will support administration of the Act, including the Taking Farmers to Market (TFTM) program. The TFTM program has applied the approach under the benefits management strategy, including baselining, maintaining benefit registers and regular reporting to the executive against identified benefits.

The Department of Finance conducted a Mid-stage review of the program in February 2023 and concluded that:

*Since the last review, the Program's maturity in managing benefits has improved significantly. Quality information is being provided to all stakeholders. **The review team considers the program has a best practice approach.***

The department's internal and external stakeholders showed significant support for the Take Farmers to Markets (TFTM) Program and its benefits to the government and the agriculture export sector.

B) There has been no change to the performance indicators identified.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000025
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Additional Hansard Hearing QoN - 1
Hansard Page: 8
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Linda Reynolds asked:

Mr Koval: As an enterprise risk, the way we started this is we've introduced a new enterprise and risk framework. After we demobbed back in 2022, we set up a new enterprise risk framework which was—I don't recall when it was.

Ms Sykes: I'm not sure.

Mr Koval: I can get back to you on the date for that. The idea was to have the enterprise risk framework and then we, as different parts of the business, feed into that enterprise risk framework and we capture and measure those risks. We're going through how we actually do that in a way that we can look for dependencies across the agency but then also, as we spoke about, how we get better shared risk with our state and territory industries who are co-regulators with us in that space.

Senator REYNOLDS: So it's a work in progress.

Mr Koval: Yes.

Answer:

The Department of Agriculture, Fisheries and Forestry's has a Enterprise Risk Management Framework and Policy that is referenced in our Corporate Plan 2023-24, which sets out our approach to risk management and oversight.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000026
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Additional Hansard Hearing QoN 2
Hansard Page: 8-9
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

CHAIR: I'll make a general observation: there's a distinction between 'this work is ongoing', and 'instruction manuals get updated and risk registers get reviewed periodically'. Two years on, have we done this? Everything is still sounding very prospective. We'll have another look at the Hansard, but you might want to think about that in giving us the update on the implementation.

Mr Koval: Yes, certainly. We'll come back and make sure—

CHAIR: There's a bit of a theme. It sounds like, 'We're going to do this and it's going to be done soon.'

Mr Koval: We'll come back with much more detail for you on where we're up to and how it fits together. We'll paint a much broader picture for you.

CHAIR: Sure.

Mr Koval: The only final comment I'll make, because I know you want to go on to the next audit report, is that for us, particularly in the biosecurity space and also the export space, risk is also very dynamic, as importing country requirements—

CHAIR: Yes, of course.

Mr Koval: That's why we say it's ongoing, because it's never going to stop.

CHAIR: You can probably reassure us in the written responses.

Answer:

All high risk instructional materials were updated and published in March 2021 within the department's Instructional Material Library (IML) for commencement of the Act. The remaining 189 medium and low risk instructional materials were required by the ANAO to be published by 18 October 2024. All of these have been part of systematic reviews of the policies and processes of the department in light of implementation of technical improvements to enable agricultural exporters greater market access, shifts in importing country requirements, introduction of new trade agreements, changes in cyber security requirements, and reforms to meet domestic policies.

Some delays, as well as additional policy and process requirements, have resulted from the need to address highly sensitive and critical activities including the impact of potential biosecurity threats on trade, and the impact of global conflict on export activities.

Of the 189 medium and low risk instructional material, 128 have been finalised. We are on track to finalise all the remaining instructional material by October 2024.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000015
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 10 - Cultural Reform capability gaps
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

Can DAFF please comment on its current capability gaps highlighted by the recent APSC capability review and how it will address both these and the related capability issues raised by the ANAO audit?

Answer:

DAFF has agreed to all four recommendations of the ANAO cultural review (Auditor General Report No. 17 of 2022-23).

The DAFF Capability Review outlined the following priority areas for early action:

- **Governance** – Establish a new system of governance with the senior leadership team collectively responsible for setting and clearly communicating enterprise-wide priorities, managing resource allocation and supporting effective decision-making (including financial performance management framework).
- **Enterprise performance and reporting** – Consolidate corporate, financial, performance and assurance data and other management information to underpin effective decision-making and resource management.
- **Strategic policy** – Build a strong and proactive strategic policy capability with a focus on influencing and engaging on priority policy areas that meet the economic, environmental, social and governance needs of Australian communities.
- **Workforce planning and development** – Commence the development of a strategic workforce plan, to build a fit-for-future workforce and support the sustainment of critical skills.

Each of these areas is identified as a priority action in the TAP, and the department is currently defining specific activities that will deliver improvements.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000016
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 11 - Cultural Reform internal and external stakeholders
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit notes that both internal and external consultations took place during the department's review process for its reform program but that 'there is not record of what input was gathered from external stakeholders, and whether this input was considered by the Review team'.

- A) Can DAFF elaborate on the key difference between the issues raised internally and externally and to what extent the review process was directly informed by external consultations?
- B) Did any external stakeholders have influence on the reform agenda?
- C) What internal consultations had the most impact on the reform program?

Answer:

The Australian Public Service Commission (APSC) undertook a Capability Review of DAFF between May and August 2023 with the report published on 14 September 2023. This review was undertaken by an independent Senior Review Team (SRT) to assess what capabilities are required now and over a four-year excellence horizon.

The SRT undertook four workshops with 120 staff, 42 interviews (with internal and external stakeholders), a site visit to Brisbane and 1,200 survey responses. The SRT also met with external stakeholders including other Australian Government agencies, state and territory government agencies, industry representatives and other non-government stakeholders. The Capability Review report included quotes from anonymous internal and external stakeholders.

In response to the Capability Review, DAFF developed the Transformation Action Plan (TAP) that was publicly released on 30 November, 2023.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000017
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 12 - Future Development Blueprint
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The ANAO found that the Future Department Blueprint for strategic reform largely comprised existing initiatives and that it was unclear how it was to increase the trajectory of reform.

- A) Has the blueprint been amended to take account of ANAO's concerns and what are the changes?
- B) Is the Blueprint tracking on the timelines that were originally envisaged?
- C) The ANAO audit highlighted communications concerns in relation to the reform program, what measures have been taken to address these?

Answer:

A) The Future Department Blueprint (the Blueprint) was released in September 2021 by the former Department of Agriculture, Water and the Environment (DAWE) and is no longer the document the department is using to drive its capability improvement program.

Since the Machinery of Government (MoG) in July 2022, the department has participated in several reviews including an Australian Public Service Commission (APSC) Capability Review conducted between May and August 2023. The Capability Review was published on 14 September 2023.

The department developed and published the Transformation Action Plan (TAP) on 30 November 2023, which establishes the direction of the department's reform program.

- B) The Blueprint is no longer the document the department is using to drive its capability improvement program.
- C) The TAP was developed in close consultation with the department's leadership team, subject matter experts and interested staff. More than 1,000 staff were engaged in the development of the TAP.

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Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000018
Hearing Date: 02 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 13 - Capability Uplift
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The ANAO audit stated that the department did not assess its expertise to inform the capability uplift expectations of the partner model.

A) Can ANAO please elaborate on what this actually means?

B) Can DAFF outline to the Committee what the strategic partner model is and whether it has worked?

C) Why was PWC chosen as the 'strategic partner' over the 28 other firms that applied for this role? Why were the 19 delivery partners chosen out of the 132 firms that applied?

Answer:

B) The strategic partner model was a partnership consulting arrangement introduced as part of the former Department of Agriculture, Water and the Environment (DAWE)'s reform program. The partner model consists of one strategic partner and multiple delivery partners intended to support capability development and supplement capacity to help deliver the Future Department Review program of work.

As identified in the ANAO Cultural Reform Audit, the department does not have reliable data about whether the Strategic Partner model worked or not. The department agreed to all four ANAO recommendations in the cultural reform audit, including to monitor reform activities, establish fit for purpose performance criteria, and establish a framework for regular review.

C) The approach to engage providers off the whole of government panel was consistent with the Commonwealth Procurements Rules. The scope included one Strategic Partner and multiple Delivery Partners. The approach included weighted response criteria to determine the Strategic Partner and multiple Delivery Partners which formed the strategic and delivery partner model. Each engagement had a delegate approve the engagement and confirm that the provider represented value for money.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000019
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 14 - Risk Assessment activities
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The ANAO reported from its audit that during implementation of the reforms not all risk assessment activities were completed, and some identified risks were not actively managed.

Answer:

DAFF agrees with the ANAO Cultural Review audit findings and recommendation, and has implemented improved risk management practices to support delivery of the Transformation Action Plan.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000020
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 15 - Implementation Risk
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

How have you been addressing the issues reported by ANAO in the 'Implementation Risk' section and other parts of the audit? Have the department's risk management processes been altered as a result?

Answer:

1. A risk assessment has been undertaken for the Transformation Program and for each individual projects under the Transformation Action Plan. Monthly working group meetings are held with Project Managers and risks outside of tolerance levels are escalated to the Transformation Steering Committee for advice on corrective action and are monitored until they revert back to acceptable tolerance levels. In accordance with the department's revised Enterprise Risk Management Framework and Policy (ERMFP), Project Managers under the Transformation Action Plan are required to regularly and systematically monitor risks and review the effectiveness of their processes and mitigation measures to support project implementation. Project Managers are assisted in achieving this by enhanced departmental risk management guidance material and tools which provide a simple and structured approach to monitoring the effectiveness of established processes. These enhanced procedures will provide greater assurances that processes are operating as intended and risks are being managed within tolerance, and are escalated further as required. These changes to the revised ERMFP ensure risk processes are fit-for-purpose to address 'implementation risk' previously identified by the ANAO.
2. The revised ERMFP (attached) was refreshed following the Machinery of Government changes to reflect a fit-for-purpose approach for DAFF. The Framework, which was endorsed by the departmental executive after the ANAO review, has altered the department's approach and processes to effectively manage risk by outlining the expectations, accountabilities and responsibilities for risk management in accordance with six guiding principles. It sets out our model for encouraging a positive risk culture, our approach to shared risk management, and provides guidance to better support effective and ongoing risk management practices.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000021
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 16 - Strategic and Delivery Partner Model
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit found that arrangements to consistently drive the capability uplift objective through the use of the strategic and delivery partner model were not established. Could DAFF please respond to these?

A) The audit states that DAWE did not establish arrangements to ensure optimal use of the partner model and cites five examples in paragraph 3.98 of the report. Can the department please comment on how it is addressing each of these, including the issues around capability uplift?

B) Can you identify any capability uplifts that were delivered by the partner model and list those that were not? Which delivery partners were involved in successful capability uplift?

C) The ANAO noted that after the Machinery of Government changes, the DAFF Executive Board reporting templates no longer required business areas to identify linkages between proposed topics and the Future Department Review or departmental capability. What was the rationale for this?

D) Was the direction of the reform program established by 30 June this year, as recommended by ANAO? [Audit Recommendation 1]

Answer:

A) The department is currently not using strategic advisory services or strategic partners for its capability uplift program, the 'Transformation Action Plan'.

The following table demonstrates how the Transformation Action Plan (TAP) is addressing the the five risks identified in paragraph 3.98 of the ANAO Cultural Reform Audit.

Risks outlined in paragraph 3.98 in the report	How the TAP is addressing these risks
Transformation objectives are not achieved due to a lack of clarity around roles and responsibilities.	- Roles and responsibilities of governance bodies and individuals that have oversight of the Transformation Program are clearly defined.
Capital investment is not directed to supporting the department's achievement of its purpose/objectives/priorities.	- TAP project objectives align with the department's strategic objectives. - The department ensures that it monitors the contribution the TAP makes towards achieving its purpose, objectives and priorities as part of its performance and reporting framework.
Enterprise level monitoring and reporting does not support effective executive oversight of the transformation program.	- As part of governance arrangements, updates on progress of the Transformation Program will be provided quarterly to the Executive Board and Executive Board sub-committees.

<p>The partner model does not contribute to strengthened delivery performance or an uplift in capability across the department.</p>	<p>- A monitoring and evaluation framework is being developed to ensure continuous capability uplift in the department. The implementation of the TAP is not using an external delivery partner model.</p>
<p>Immature program, project and change management capability across the department compromises delivery performance.</p>	<p>- The Transformation Program established teams with expertise in program, project and change management to support the planning, delivery and evaluation of the TAP.</p>

- B) Capability uplift identified and/or progressed through the partner model and implemented by the former Department of Agriculture, Water and the Environment and the Department of Agriculture, Fisheries and Forestry included:
- Implementation of Building Legal Organisational Capability (BLOC) training which improved staff’s knowledge of their legal powers and obligations.
 - Development of the Introduction to regulation e-learning module which is hosted on the APS Academy web site for all APS staff to access.
 - Establishment of a dedicated, centralised team to progress a departmental First Nations program that resulted in the publication of the department’s First Nations Platform.
 - Delivery of the department’s DesktopOne program that improved digital collaboration between staff.
 - Co-design of the Natural Heritage Trust with over 60 external stakeholders to develop climate-smart, sustainable agriculture investments.
- C) Being Future Ready has been removed as it is no longer a purpose of the Department.
- D) The department did not establish the direction of its reform program by 30 June 2023 due to the commencement of the APSC Capability Review in May 2023. The department established the direction of its reform program on 30 November 2023 with the publication of the TAP in response to the APSC Capability Review and other internal and external reviews of the department.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000022
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 17 - Audit recommendation 2-4
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit report was quite scathing of the department's framework to monitor the reform program, stating that progress reporting for specific initiatives did not provide accurate and complete information and further that due to limitations with the completeness of the data, the performance measures were largely ineffective for measuring impact. [Audit Recommendation 2-4]

B) Can you please comment on how you are addressing these concerns?

C) How have you begun to address the statement in the audit report (para 4.40) it is not clear how the 'Being Future Ready' performance measures were aligned to, or influenced by, the initiatives identified in the Future Department Blueprint?

D) Can the department also address the audit finding (para 4.40) that DAWE did not establish metrics to assess the outcomes of the 'strategic advisory services' element of the strategic partnership?

E) ...and the ANAO's conclusion that DAWE did not establish arrangements to effectively review and manage costs and benefits across the reform program?

Answer:

B) The Transformation Action Plan (TAP) sets out 10 priorities to uplift organisational capability for DAFF based on the findings of recent reviews. The TAP is publicly available and outlines our commitment to accountability and evaluation in terms of:

- an annual refresh on future direction and priorities in our corporate plan
- an annual assessment of progress in our annual report
- monitoring progress on the Action Plan and priority actions through our Executive Board and committees
- embedding relevant activities in business planning and performance agreements.

C) The department has also made a decision not to include the Transformation Action Plan (TAP) as a purpose or key activity of DAFF. This decision has been made because the TAP does not meet the definition of a purpose or key activity as defined under Resource Management Guide 132.

D) The Department is no longer using a strategic partnership model. The Department's commitment to accountability and evaluation is addressed in the answer to question (b).

E) The Department has agreed to the ANAO recommendations to establish performance criteria and a framework for regular review as part of delivering the TAP.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000023
Hearing Date: 02 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 18 - Precise Reporting
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

The audit reported that DAFF was unable to provide more precise reporting on expenditure per deliver partner within each service category and that the department is therefore less able to understand whether partners provided high quality and value for money deliverables.

A) Is the department now able to report on and provide a breakdown of the areas in which delivery partners gave value for money? B) How is the department now managing the oversight of this?

Answer:

A) A value for money explanation for all DAFF engagements was provided in response to QoN SQ23-000470. The delivery partner model was established through a competitive process via an open tender panel arrangement, consistent with the Commonwealth Procurement Rules (CPRs). All engagements were entered into based on a Value for Money assessment, with appropriate delegate approval. Individual contract managers were responsible for the delivery and acceptance of the services provided under each engagement.

B) The strategic and delivery partner engagements ceased on 30 June 2023. DAFF now utilises the Management Advisory Service Panel (the MAS panel), which is a mandatory Whole of Australian Government (WoAG) panel arrangement established by the Department of Finance for the procurement of consultancy services by Commonwealth entities.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000024
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Written QoN 19 - Refreshed Enterprise Performance and Reporting Framework
Hansard Page:
Question Date: 12 February 2024
Question Type: Written

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

DAFF states in its submission to the inquiry that it is 'currently implementing a refreshed Enterprise Performance and Reporting Framework, to uplift the departments capability in terms of performance monitoring and reporting'.
A) Do the areas in which DAFF expects to see a capability uplift from this framework match those identified in the audit report?

Answer:

Yes, implementing the refreshed Enterprise Performance and Reporting Framework will provide a consistent approach to planning, monitoring and reporting performance information across all areas of the department.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000027
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Additional Hansard Hearing QoN 3
Hansard Page: 9
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

Mr McDonald: Is it okay if I address the next—

CHAIR: Sure. Did you have anything final to add to on this? Let's go to the next one. If we need to go over time, we leave little gaps now to accommodate such things. Can we turn to table 4.2, which is on page 65. I think it's just worth setting the scene with the dollars. PwC were engaged as the strategic partner for this exercise. My recollection—I made some scribbles as I read the report—was that they were one of 29 entities that tendered to be the strategic partner. To check we've got the facts right for Senator Reynolds and me, the department, when putting out the tender, specified the work to be done but gave no real sense of volume. It was just: 'Come on board and do this kind of stuff.' There was no contract manager for the first 13 months, but the estimate, internally, was that you'd spend \$3 million on PwC in the first year, \$3 million in the second year and then down to \$2 million. Is that correct? How much did you actually spend?

Mr McDonald: We'll have to take that one on notice. I don't have that information at hand.

Answer:

The strategic partner arrangement with PwC cost \$23.40 million over 3 financial years beginning in 2020-21 comprising:

- \$11.08 million for the provision of strategic advisory services
- \$12.32 million for strategic project work.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000028
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Additional Hansard Hearing QoN 4
Hansard Page: 9
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

CHAIR: So, in essence, the department went out, gave no scope of money to the market and estimated internally that it would spend \$6 million. Then you managed to spend \$23 million over two years, with no contract manager for the first 13 months. Are those the facts?

Mr Koval: I don't recall. I wasn't part of the department around contract management. I don't recall—

CHAIR: Is there anyone who was part of the department?

Mr Koval: I was part of the department. Please don't get me wrong. I've been in the department for a long time, but I don't recall. I'd have to refresh my memory on that.

Answer:

The approach to engage providers off the whole-of-government panel was consistent with the Commonwealth Procurements Rules (CPRs). The scope included one Strategic Partner and multiple Delivery Partners. All engagements were entered into based on a Value for Money assessment, with appropriate delegate approval. Individual contract managers were responsible for the delivery of each engagement.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000004
Hearing Date: 2 Februray 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Hearing QoN 4 - Reform Program
Hansard Page: 16
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

Ms Mellor: The framework [inaudible] an entity must develop a corporate plan. It is the primary planning document. It must include the performance measures. It must report on them in its annual report. And, as you know, through the support of this committee, we've started the audit process on the measures. The current corporate plan has the three, and that should be guiding what the measures are.

Senator REYNOLDS: Thank you.

Ms Lane: I was going to suggest it may be of interest and useful, and we can certainly provide more information on notice, for Mr McDonald to briefly touch on the streams of work within this reform program. What they will do is support our delivery of our commitments to government and to the community. It's really very much about uplifting our capability. One focus of that reform program is performance and reporting, but there are many others.

CHAIR: Could you take that on notice? But I thank you and compliment you for that very coherent articulation. There are a couple of famous examples that I think you'd remember from last year where, by the end of the hearing, no-one could articulate what the purpose of the department was within the framework. So thank you; that makes sense. A work in progress, but that's really helpful. If I'm hearing you right, Ms Lane, sitting within that, it's almost an enabling function, is the department's corporate capabilities—be it finance, science, IT, all these things—to be able to achieve your objectives. So take that on notice and we'll have a look at it.

Answer:

The department's Transformation Action Plan identifies 10 priority actions across 5 domains

Domain	Priority Action
1. Leadership & Culture	1.1 Enhancing our Governance System
	1.2 Embed an Enterprise Approach to Program Evaluation
2. Collaboration	2.1 Stakeholder collaboration and practice framework
3. Delivery	3.1 Strategic Policy
	3.2 Enterprise Performance and Reporting
	3.3 Improving Regulatory Service Delivery
4. People	4.1 Workforce Planning and Development
5. Resourcing & Risk	5.1 Financial Management
	5.2 10-year Digital Sustainment Investment Roadmap
	5.3 Information and Data Maturity Roadmap

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000029
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Additional Hansard Hearing QoN 5
Hansard Page: 17-18
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

Mr McDonald: In the transformation action plan, on the first page we define what success looks like in 2027.

Senator REYNOLDS: And what's that?

Mr McDonald: I can run through them all.

Senator REYNOLDS: No. I think the lack of an answer to my question has actually answered my question, which is: what are you doing and why? At the moment it's about transforming processes, but transforming processes to achieve what?

CHAIR: I think part of the thing we're grappling with—

Senator REYNOLDS: How is this different, and will it result in anything different from the previous report?

Better processes, maybe, but not better outcomes necessarily.

CHAIR: We'll only know that in the rear-view mirror, but I'm comforted by the assurance that you have assigned accountabilities and you have time lines, and there are clear capability things you're trying to fix; we'll get the detail of that on notice. To be fair, we're defaulting back—and both of us have done it—to the department's high-level purpose, but this stuff is the corporate enabling stuff. It's inherently boring; I don't know if we're going to get an elevator pitch out of it. When I say 'boring', I'm not dismissing the people doing the work; it's absolutely critical if you're going to perform as a department.

Answer:

The TAP identified what success looks like in the 10 Priority Actions:

Domain	Priority Action	What Success Looks Like in 2027
1. Leadership & Culture	1.1 New Governance Framework	We have a governance system that supports our leaders to collectively set priorities, align resource allocations and promote a shared sense of purpose and direction.
	1.2 Enterprise approach to program evaluation	We use evaluation in a consistent way to better understand and demonstrate the performance of programs and services.
2. Collaboration	2.1 Stakeholder collaboration and practice framework	We have strong, diverse and inclusive relationships with our domestic and international stakeholders that inform decision-making about policy, programs and excellence in regulatory service delivery.
3. Delivery	3.1 Strategic Policy	We provide high-quality, timely and trusted strategic policy advice that is influential outside of our portfolio and focuses on cross-cutting issues with a forward-looking perspective.

	3.2 Enterprise Performance and Reporting	We measure and report on performance at an enterprise level in a coordinated and consistent manner to support continuous improvement, effective decision-making and resource management.
	3.3 Enterprise-level regulatory service delivery operating model	We apply consistent principles to regulatory service delivery across the department, supported by contemporary infrastructure, that uplifts our regulatory capability and allows for constant improvement of the delivery of regulatory services which stakeholders acknowledge and appreciate.
4. People	4.1 Workforce Planning and Development	We use high-quality workforce data and effective workforce planning to develop, attract and retain the talent we need, ensuring commitment to our core values and integrity frameworks.
5. Resourcing & Risk	5.1 Financial Management	We have a joined-up approach to financial management that enables the most efficient use of our resources, including through the transparent application of cost recovery.
	5.2 10-year Digital Sustainment Investment Roadmap	Our digital capabilities keep pace with technology and service innovation, with products that are highly reliable and fully integrated.
	5.3 Information and Data Maturity Roadmap	Information and data is central to our operational service delivery, performance monitoring, risk management, research, strategic policy, emergency response and regulation setting.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000005
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Hearing QoN 5 - Delivery Partner
Hansard Page: 20
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

CHAIR: Good. I think these are my final two questions. PwC as well as being a strategic partner also managed to nab themselves—sorry, get assigned—a third of the delivery partner work. Given the spread of the number of delivery partners that you had, what assurance can the department give or what systems are in place to satisfy us that PwC weren't nudging work towards themselves out of the delivery partner work? **On notice can we get a list of what the delivery partner work done by the strategic partner in fact was?** Mr Koval: We can provide a list of the projects, or we can provide a list of every delivery partner, if that's of interest, of all the projects undertaken. The way we manage the strategic partner and the delivery partner separation is that the delivery partners cannot be involved in any discussions or any work and cannot suggest any work that would go to a delivery partner, so there was separation between those two teams. There's a separate team for the strategic partner work and separate teams within PwC more generally about that project-by-project work. CHAIR: The strategic partner would have privileged insights in terms of the overall reform body of work, a view across the department and direct engagement with very frank discussions with the most senior leaders in the department, would they not? Mr McDonald: Yes. There was an example that has been tabled—I can't recall whether it was at Senate estimates or at another parliamentary inquiry—where PwC did make an unsolicited proposal based on a conversation, but that was then—CHAIR: That's in the report? Mr McDonald: Yes, that's in the report. That was reported upon and dealt with. CHAIR: Perhaps I'd ask the department just to reflect, and it might be something the secretary could address in the rear-view mirror but looking forward. In such arrangements in the future, I'm curious whether there should actually be a hard wall between the strategic partner and the delivery partner. It doesn't look great when you look at the original concepts of the set-up—even putting aside the cost control, value for money, lack of measurement, no capability assessment—that the strategic partner then somehow manages to win a third of the delivery partner work on top. You might want to take that on notice. Look, maybe there are good answers that will come out from the kinds of work they did and some further understanding of how they got that work. Mr Koval: Certainly.

Answer:

Please find below the following list of contracts awarded by either the former Department of Agriculture, Water and Environment (**DAWE**) and/or the current Department of Agriculture, Fisheries and Forestry (**DAFF**); to PricewaterhouseCoopers (**PwC**) as a Delivery Partner under the Strategic and Delivery Partner arrangements. For the purposes of clarity, this list does not include contracts awarded to PwC as a Strategic Partner.

Contracts awarded to PwC as a Delivery Partner

Description	Contract Notice No
National Biosecurity Strategy Implementation and Action Plan	CN3942943

Biosecurity Risk Management Framework	<u>CN3861399</u>
DesktopOne Agile Implementation and Assurance Activities	<u>CN3810302</u>
Smart Farms Program Mid-term Review	<u>CN3790583</u>
Legislation Post-implementation Review	CN3842092
Future Border Roadmap 2030	CN3818837
Cargo Service Delivery Taskforce	CN3918192
National Farm Forestry Strategy	CN3842870
Cost Recovery Projects	CN3781392
DAWE IT Integration Program Business Case	CN3783932
Regulatory Capability Assessment	CN3837571
National Reserve System Legacy Project	CN3796382
Promoting paperless export and import trade 2021	CN3834095
Innovation policy Statement	CN3818194
Feasibility Study	CN3783452
Streamlined Reporting and Assessment framework	CN3803430
Regulatory Assurance Strategy	CN3830340
Review of divisional business continuity plans	CN3862083
Strategic Thinking Workshop	CN3790582
Trial of New Arrangements for Imported Cargo	CN3789858
Desktop Scheduler for Scheduling Activities	CN3861395
Cargo Reform and Improvement Program Management	CN3821249
Agile delivery and Governance	CN3794239
Consultancy Services - Internal Review	CN3826048

Domestic Organics Detailed Cost Benefit Analysis	CN3835291
Mapping the Biosecurity Research & Development Landscape	CN3884084
Provision of services to provide a model review	CN3798651
Biosecurity Trial of New Arrangements at Port of Melbourne	CN3826424
Senior Leaders' Forum	CN3807583
Indigenous Platform Roadmap	CN3828221
Support for Development of a National Biosecurity Strategy	CN3833897
Discovery Project	CN3848195
Digital Foundations for Agriculture Strategy	CN3868768
Digital Supply Chains and Credentials Sprint	CN3798652
Data and Analytics Office Operating Model Design	CN3800814
National Traceability Framework - Future Traceability Summit	<u>CN3869034</u>
Support the government review of regional finance	CN3829797
Workforce Planning Support	CN3805518
Marketing, communications and strategic planning	CN3773536
National Biosecurity Strategy	CN3806656
National Fruit Fly Resourcing Options	CN3845759
Plant Import Operations Workforce Design	CN3874592

N.B. There is an additional Delivery Partner contract titled 'Strategic Partner – Parks Reform Taskforce Support', Contract Notice **CN3791464**; which was raised by DAWE under these arrangements, that has subsequently been migrated to the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) following the Machinery of Government changes in 2022.

This Contract Notice is currently published on the DCCEEW instance of AusTender.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000030
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Additional Hansard Hearing QoN
Hansard Page: 21
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

CHAIR: Perhaps I'd ask the department just to reflect, and it might be something the secretary could address in the rear-view mirror but looking forward. In such arrangements in the future, I'm curious whether there should actually be a hard wall between the strategic partner and the delivery partner. It doesn't look great when you look at the original concepts of the set-up—even putting aside the cost control, value for money, lack of measurement, no capability assessment—that the strategic partner then somehow manages to win a third of the delivery partner work on top. You might want to take that on notice. Look, maybe there are good answers that will come out from the kinds of work they did and some further understanding of how they got that work.

Mr Koval: Certainly.

Answer:

The strategic and delivery partner model was established through a competitive process via an open tender panel arrangement, consistent with the Commonwealth Procurement Rules (CPRs). All engagements were entered into based on a Value for Money assessment, with appropriate delegate approval. The strategic and delivery partner engagements expired 30 June 2023.

The department complies with the CPRs and now utilises the Management Advisory Service Panel (the MAS panel), which is a mandatory Whole of Australian Government (WoAG) panel arrangement established by the Department of Finance for the procurement of consultancy services by Commonwealth entities.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000001
Hearing Date: 2 February 2024
Division/Agency: Enterprise Strategy and Governance Division G4
Topic: Hearing QoN 1 - Submission
Hansard Page: 2
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

CHAIR: Thank you. Maybe just to start on the submission. It triggered a thought that maybe we'll take a bit of responsibility on. It's something the committee can talk with the secretariat about: whether we should give a little bit of clear, default guidance to agencies. This is very much on the skinny side. Normally when we get a submission that responds to audit recommendations, we get a status update on the recommendations. There's a whole lot of corporate gumph, which is cut and paste from somewhere—and that's fine; very interesting—but the paragraphs say you've agreed to five recommendations, implementation plans will be developed and they'll be done within two years. That gives us no detail, no time line, no accountability and no status update. It's not the normal practice of agencies, but let's take some responsibility here. If that's what we expect, maybe we can think about standardising that.

Maybe take it on notice. It's boring stuff but it means, if nothing else, we've got stuff to write in the report, and it saves a whole lot of wasted airtime on stuff, because we do pre-read, and then we can just ask you the bits we're on about. Not grumpy, but it's not much detail. There's nothing much to go on.

Mr Koval: I acknowledge that. We do have these detailed reports, which we're happy to provide. In hindsight, perhaps we should have provided them.

CHAIR: That's totally fine. The Department of Health and Aged Care's submission on the telehealth stuff is probably a good example: 'Here's the recommendation, here's the finding'—it's cut and paste, but it's all there—'and here's, like you would in a management report, a couple of paragraphs of a status update that actually says where we're at, what the problem is, why it's not done, when it will be done and a time line for each recommendation.' That would be terrific.

Senator REYNOLDS: In terms of what the chair has said: this is not Senate estimates. The nature of this committee is very much about process, about understanding what has happened, how and why, and how it can be improved, in line with the Auditor-General reports. It's not a gotcha committee; it's about understanding things in more detail than other committees do.

CHAIR: Yes. Just to labour the point: the capability review, so you're doing something on the cultural reform piece and you're having a look. There's a sentence that says you have a capability review. A couple of paragraphs to say what—because, what, am I supposed to google it? What are the capability risks? You say why these two things come together. I will leave it at that. You can take it on notice and come back with a table at some point. To telegraph time: most of the stuff that I want to explore relates to the cultural audit. There's a bit of stuff on the other framework. Do you want to try starting on the other framework and knock that off, but be disciplined and limit ourselves to half an hour so we've got time for the other one? Does that work?

Senator REYNOLDS: Yes. Culture but also about how they manage performance and outcomes. With the range of programs you've got, what does success look like, and how do you measure and report on that?

Answer:

See Attachment A



Joint Committee of Public Accounts and Audit

Attachment A: Response to Question on Notice IQ24-00001

Implementation of recommendations from the ANAO performance audit of the Implementation of the Export Control Legislative Framework

Status update February 2024

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Purpose of the Export Control Legislative Framework

The *Export Control Act 2020* and subordinate legislation provide the primary framework for the Australian Government to regulate goods exported from Australian territory. The revised legislative framework was designed to:

- support access to international trading markets for Australian goods
- protect Australia’s global trading reputation
- allow greater flexibility to respond to changes in technology and requirements
- improve the efficiency of export procedures by reducing complexity and duplication.

The new Export Control Legislative Framework commenced on 28 March 2021.

Purpose of the ANAO audit

The ANAO conducted a performance audit of the implementation of the Export Control Legislative Framework to provide assurance to Parliament on the department’s progress in facilitating the framework’s intended benefits. The audit focused on the arrangements by the department to implement the revised export control legislative framework, including its management of the transition from the previous legislative framework and the development of performance monitoring and reporting arrangements.

Summary of findings and recommendations of the ANAO audit

General finding

The ANAO determined that the Department of Agriculture, Fisheries and Forestry’s implementation of the revised export control legislative framework was partly effective. Project planning and



governance were well documented, and stakeholder engagement in the development of the revised legislation was sound. On commencement of the legislation, the department did not have a compliance framework, policies and procedures were not fully updated, and arrangements to support benefits management were not established.

Relating to the governance framework of the department

Overview

The ANAO found that the governance framework of the department was largely appropriate to support the implementation of the revised export control legislation. The planning processes were appropriate, supported by project plans that established milestones, allocated roles and responsibilities, and identified the risks relating to the implementation of the revised legislation. The compliance plan required by the department's compliance policy had not been published for agricultural exports. The department did not identify shared risks to support the implementation of the revised export control legislative framework.

Planning

The ANAO determined that the planning processes of the department were appropriate to support the implementation of the legislative framework. Governance arrangements were established with committees providing oversight of the implementation within the department. The project plans developed to support the implementation of the revised legislative framework were detailed with ongoing monitoring and reporting.

Processes and documentation of risk

The ANAO found there were processes and documentation for project risk identification, risk assessment, and risk reporting. The project risk plans were incomplete. It found that the department could not demonstrate the application of its risk tolerance on the projects and no assurance has been provided to the Agricultural Trade Reform Board that shared risks relating to the export legislative framework have been assessed.

Compliance policy

The ANAO identified that while the department had established an enterprise-wide compliance policy, it had not at the time of the audit published annual or multi-year compliance plans as required under the policy for agricultural exports. It noted that the department undertakes compliance audits however state that there is room for improvement in the execution of this work.

Relating to arrangements to support implementation of the framework

Overview

The ANAO found that arrangements to support the implementation of the revised legislative framework were partly effective. The department had not complied with its instructional material policy to review materials every two years and had not updated all instructional material as originally planned. The ANAO identified that the department's engagement with stakeholders in the development of the revised legislation was transparent and consultative. Planning of changes to IT systems to support the legislative framework was partly appropriate with records for the



implementation of IT changes not maintained, making it difficult to identify if all required IT changes were implemented.

Instructional material

The ANAO determined that the department updated its high-risk instructional materials to support the implementation of the legislative framework. It found that at the time of the audit materials rated low and medium risk had not been fully updated to reflect the revised legislation. It also found that the department had not complied with its instructional material policy to review materials every two years.

Stakeholder engagement

The department's engagement with stakeholders in the development of the revised legislation was transparent and consultative. The department did not publish feedback on its post-commencement consultation until after May 2022.

Planning for IT changes

The ANAO determined that planning for IT changes relating to the implementation of the revised export control framework was not fully coordinated, which resulted in the delayed implementation of IT changes. Records for work related to IT changes were not documented or maintained in a systematic and accessible form.

Relating to monitoring and measuring benefits and performance

Overview

The ANAO found that arrangements to monitor and measure the intended benefits of the legislative framework were not established by the commencement date of the revised legislation. There were performance measures in the department's corporate plan and annual report relating to export controls. The department reported under the regulator performance framework that it had areas for improvement.

Benefits

The ANAO found that the arrangements to monitor and measure the intended benefits of the legislative framework were not established by the commencement date (28 March 2021). Post commencement, there were documents outlining the department's approach to benefits management. It found that milestones had not been established to support the monitoring and reporting of benefits realisation.

Performance measures

The ANAO determined that the department had export-related performance measures in its corporate plan and annual reporting, most of which related to the objects of the Act. It noted that the department had reported an 'emerging' maturity level under the regulatory performance framework.

Other notes



The ANAO did not assess the impact of the Administrative Arrangement Order dated 23 June 2022 on the department after its implementation on 1 July 2022.

Recommendations

The ANAO made five recommendations. The department agreed to all five recommendations.

Progress in implementing recommendations

Recommendation 1

The Department of Agriculture, Fisheries and Forestry ensure that shared risks relating to the revised export legislative framework — with industry, the community and all jurisdictions of governments — have been identified, analysed and treated.

Progress update

The department has reviewed and updated its enterprise risk management framework, guidance policy, and tools to ensure alignment with the Commonwealth's risk management framework. The review has resulted in:

- the development of standardised and objective criteria for assessing risk tolerance, to improve staff application and stakeholder understanding
- improved training products and resources to improve staff skills and knowledge in applying risk tolerance ratings accurately and consistently
- implementing review processes to ensure risk tolerance ratings remain relevant and are being managed in alignment with departmental objectives and priorities
- developing a culture of transparency and accountability by improving documentation of rationale behind risk ratings, standardising criteria and improving accessibility to relevant stakeholders
- evaluating and refining practices based on lessons learned and feedback provided by internal and external review and stakeholders.

In addition, the department has approval and monitoring measures in place to mitigate risks with those who perform work on behalf of the department under the *Export Control Act 2020* and to support meeting importing country certification requirements. These include:

- establishment registration and approved arrangements.
- approval of authorised officers who perform work on behalf of the department
- programs that undertake inspection of product
- programs that undertake auditing of establishments
- programs that undertake auditing of entities approved to perform functions on behalf of the department.

The department believes that by implementing these measures, the department's ability to effectively manage risks more efficiently and responsibly will be improved.

Timeframe for completion: October 2024



Recommendation 2

The Department of Agriculture, Fisheries and Forestry develops a compliance plan that communicates its compliance priorities, strategies, focus areas and objectives for regulating exports in accordance with its compliance policy. The compliance plan should include a program of quality assurance activities and milestones to ensure its compliance framework remains effective throughout the business process review.

Progress update

As discussed in the ANAO report and identified in the department's 2021-22 corporate plan the department is in the process of revising its compliance and regulatory system over a period of four years. The department expects that the revision and subsequent changes will result in amendment to compliance policies and procedures relating to export control.

The department's regulatory practice statement and compliance policy were updated and approved in 2023 following machinery of government changes.

The department is in the process of drafting a compliance plan for the export regulatory system as is required by the compliance policy, that outlines priorities to address high risk processes and activities including those for registered establishments, accredited properties, authorised officers and approved auditors. The plan will articulate the current priorities and assurance processes that underpin the Export Control Regulatory System. The compliance plan will be distributed to all internal stakeholders from April and finalised in June 2024 to inform 2024-2025 assurance priorities.

Timeframe for completion: June 2024

Recommendation 3

The Department of Agriculture, Fisheries and Forestry ensure policies and processes are up-to-date, reflective of current legislation, fit-for-purpose and are operating as intended for both its internal instructional materials and external website content.

Progress update

Instructional material

All high-risk instructional materials were published on the department's Instructional Material Library (IML) for commencement of the *Export Control Act 2020*. The remaining 189 medium and low risk instructional materials were required by the ANAO to be published by 18 October 2024.

All of these have been part of systematic reviews of the policies and processes of the department in light of implementation of technical improvements to enable agricultural exporters greater market access, shifts in importing country requirements, introduction of new trade agreements, changes in cyber security requirements, and reforms to meet domestic policies.

Some delays, as well as additional policy and process requirements, have resulted from the need to address highly sensitive and critical activities including the impact of potential biosecurity threats on trade, and the impact of global conflict on export activities.

Of the 189 medium and low risk instructional material, 128 have been finalised.



Governance and assurance of exports instructional material

The ANAO audit highlighted that the existing policy for the development and maintenance of exports instructional material set unrealistic and unnecessarily stringent parameters and time frames for the review of instructional material. In particular, the imposition of the same approval level and review periods for all documents (whether they be low or high-risk) was found to make little operational sense for resource allocation and risk management.

Subsequent to the ANAO audit the department has undertaken a comprehensive review of the approach to the development and maintenance of exports instructional material and updated the policy to set a risk-based approach. The new policy now mandates review periods for instructional material based on risk – 2 years for high risk, 3 years for medium risk, and 4 years for low risk. In addition, the new policy mandates approval levels for the publication and archiving of instructional material based on the risk. This will assist in clearing approval back-logs. The policy also mandates co-authorship by operational areas and legal review (as required and relevant) to ensure that all instructional material is fit for purpose.

To support programs manage their instructional material monthly reporting on the status of instructional material has been implemented. Assignment of a risk framework to instructional material will support program areas to balance their resource allocation across review of instructional material and other operational requirements, including addressing the urgent matters associated with biosecurity incidents, changing importing country requirements, and the impact of global conflict on trade.

External websites

A risk assessment of external department external webpages was provided to the ANAO. The assessment noted that as of 17 June 2022 there were 25 departmental webpages that referenced repealed legislation either directly or through hosted documents. Seventeen of these have now been updated and the remaining updates are being progressed.

In addition, several webpages and embedded documents were found to include 'point-in-time' references to the repealed export legislation, such as review reports, point in time assessments, publications, and media releases. These materials were considered appropriate and were excluded from the risk assessment.

For the 25 webpages making references to repealed legislation (either directly or by hosting documents), risk was assessed as low based on the department's enterprise risk management framework and policy. The key risk noted was that 'readers might be directed to repealed legislation'. However, the occurrence of this risk was deemed 'unlikely' as the external webpages hosting repealed export legislations direct users to new legislation by advising that the legislation is 'not in force', often in bold red font. Consequences for all risks identified were rated as minor.

Given the low risk associated with the external website resources were directed to updating instructional material required for the implementation of the *Export Control Act 2020*.

Timeframe for completion: October 2024

Recommendation 4

The Department of Agriculture, Fisheries and Forestry establish relevant policies, plans and supporting assurance arrangements to ensure IT project changes are appropriately coordinated, documented and monitored.



Progress update

The Digital Services Division (DSD) has developed a suite of IT project artefacts that:

- clearly identify and articulate roles and responsibilities including those of Business Owner, Systems Owner, and the role of DSD
- documents the IT project workflows throughout the project life cycle (including change management)
- documents costing arrangements
- outlines the relevant delivery policies and recordkeeping requirements
- implements a quality assurance program to check conformance to governance requirements.

The IT project artefacts articulate specific priorities, assurance activities, and milestones. This enables assurance that the IT framework remains effective throughout the whole project lifecycle, and leans on the department's ICT wholesale/retail model.

Resources for staff

To support staff the department has published artefacts and processes on its intranet. The following provide some examples.

Information and resources that relate to business project roles and responsibilities including the Enterprise Program Management Office (EPMO) project management framework have been published on the EPMO the intranet site.

Information and resources that relate to roles and responsibilities for IT project delivery have been published on the DSD Project Management Office intranet site, including:

- the DSD end to end project life cycle (alignment with the DAFF project management framework)
- a process diagram that covers the end-to-end DSD project life cycle
- a tier-based RACI¹ diagram for ICT projects.

The Change Management intranet site contains information and resources that relate to roles and responsibilities within the IT Change management processes.

The DSD Project Management Office intranet site contains information and resources that relate to the workflow of IT projects throughout the project life-cycle, including project artefacts designed to assist project managers with project planning, project delivery and governance, reporting, and closure.

The Service Transition intranet site contains information and resources to define the requirements for a new or updated service to be brought into production and supported as part of business as usual.

The Corporate Finance intranet site contains information to assist with project costings including a Capex Opex Guidance document.

¹ RACI is a project management model that includes components for responsible, accountable, consulted and informed.



Managing costings

DSD has robust methods for comprehensively collating costs for ICT services. The Request for Service intranet site contains information to assist areas initiate a request for an ICT project including forms used to capture business requirements. The Business Engagement team coordinate with the various DSD technical areas to complete the associated detailed costings. Depending on the activity selected, costings are allocated to Capex or Opex. The proposal and completed costings document are provided to the requestor for review, and for them to provide their funding authorisation should they wish to proceed with the IT project.

The DSD Project Management Office uses the approved DSD Costings document to inform all financial artefacts during project initiation, such as the Authority to Proceed document sent to the Senior Responsible Officer.

The DSD Project Management Office intranet site contains a costings document to assist project managers quantify project change requests particularly when there is a change to the budget. This document is modelled on the DSD Costing Template. The Project Change Request document also clearly defines the Capex/Opex split.

The DSD Project Management Office creates a CM9 (DAFF records management system) container for the records management of key project documents. All DSD Project Management Office templates have a requirement to identify the unique CM9 container identifier as the repository of project information.

Other measures

The DSD Project Management Office *Project Closure Report* template collects project artefacts and their locations (CM9, SharePoint, etc) on closure of the project.

The IT Change Management process has robust record keeping processes. SM9 is the repository for records pertaining to IT Change Releases. DSD conducted an evaluation of the 3 changes that were audited and there is traceability to requisite approvals and closures.

The Enterprise Project Management Office have developed a Project Information Management Plan available on the DAFF Intranet.

The DSD Project Management Office conducts monthly status reporting on DSD projects. Project status tolerances are published on the DSD Project Management Office intranet site and are sent out with the requests for monthly project status updates.

Timeframe for completion: complete

Recommendation 5

The Department of Agriculture, Fisheries and Forestry:

- a. develop milestones to ensure that the intended benefits of the revised legislative framework can be measured and monitored; and
- b. fully implement its benefits management arrangements.

Progress update

The new export control legislative framework which consists of the *Export Control Act 2020* (the Act) and the Export Control Rules (Rules) commenced in March 2021. Prior to this, export requirements were spread over 17 Acts and 45 rules, regulations and orders.



Benefits to Australian agricultural exporters

The benefits of the new legislation include:

- more relevant, responsive and efficient processes for exporters, primary producers and others in the export supply chain
- less administrative duplication
- streamlined regulatory requirements.

The department continues to review the performance of the new legislative framework. As the result of review, recent improvements to simplify information sharing under the Act commenced on 1 February 2024. This change enables relevant information collected under the Act to be shared in a more efficient and timely manner.

The amendments directly support exporters in Australia's trading and emerging markets where export information may be required to be shared quickly with the importing country. The benefit of this cannot be underestimated. For instance, where a consignment may be held at the receiving port due to further information requirements being required to satisfy the importing country's requirements. Quick action enhances Australia's reputation as a responsive trade partner, providing greater flexibility to respond to dynamic trade requirements.

The department biannually seeks information from industry and other stakeholders on proposed improvements to the administrative and operational procedures in the various export control rules. This public consultation ensures the export rules, which are commodity based, remain effective, efficient, and fit for purpose for those using them. For example, changes to export control rules, enabled benefits of the Australia-United Kingdom Free Trade Agreement to be realised quickly and improved the administrative processes in relation to loading/unloading of livestock in cases where a suspicion of disease may occur.

Further information about how reviews and amendments to the export control legislative framework, enable the framework to meet its core aims, is available through relevant Annual Reports, available from the Department of Agriculture, Fisheries and Forestry (the department) website, <https://www.agriculture.gov.au/about/reporting/annual-report>.

Further information on the recent amendments to the Act is available on the department's website.

<https://www.agriculture.gov.au/biosecurity-trade/market-access-trade/improved-export-legislation>

Benefit milestones

The ANAO recommended that the department develop milestones to ensure that the intended benefits of the revised legislative framework can be measured and monitored.

- As the legislation commenced in March 2021, the department has not developed retrospective milestones, having deemed that these would be of limited value.
- Instead, the department has focused on embedding the benefits management approach and utilising ongoing monitoring and review of the export control legislative framework to ensure it meets the objects of the Act and aligns with good regulatory practice.



The Agriculture Trade group has taken steps to embed a benefits management approach to export reform.

- A Portfolio Benefits Management Strategy was developed through the former Trade Reform Portfolio Office that is consistent with Department of Finance guidelines.
- These benefits management arrangements are fully implemented and the department is successfully applying the benefits management strategy to new export reform projects.
- The department will continue to update and improve this process as required.
- The Portfolio Benefits Management Strategy guides consistency in benefits management by initiatives and projects and ensures that benefits are aligned with strategic priorities. It sets out how the Group will demonstrate value creation by monitoring and reporting benefits through identified standard measures.

Benefits of digital reform

The department is currently undertaking significant digital reform of agricultural export systems that will support administration of the Export Control Legislative Framework, including the Taking Farmers to Market program.

The Taking Farmers to Market program has applied the approach under the benefits management strategy, including baselining, maintaining benefit registers and regular reporting to the executive against identified benefits.

The Department of Finance conducted a mid-stage review of the Taking Farmers to Market program in February 2023 and concluded that:

- Since the last review, the Program's maturity in managing benefits has improved significantly. Quality information is being provided to all stakeholders. **The review team considers the program has a best practice approach.**
- The department's internal and external stakeholders showed significant support for the Take Farmers to Markets (TFTM) Program and its benefits to the government and the agriculture export sector.

The department is working to ensure that an enterprise approach is developed to evaluation that enhances decision-making, efficiency, effectiveness, and increased delivery capacity. This includes developing and maintaining an evaluation culture to encourage continuous improvement, assessing the effectiveness, efficiency and appropriateness of policies and programs, and demonstrating progress toward objectives in ways that increase accountability and transparency.

Timeframe for completion: October 2024

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000002
Hearing Date: 2 February 2024
Division/Agency: Plant & Live Animal Exports Welfare & Regulation (PLAEWR) G2
Topic: Hearing QoN 2 - Audit and IML
Hansard Page: 7
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

CHAIR: That makes sense as a descriptor of the process. I'll ask a narrower question, and you can take it on notice. At the time the audit was done the finding was that the department had not, as of commencement, updated a bunch of the low-risk stuff—a little bit of medium stuff, but mainly the low-priority stuff. Was that subsequently done?

Mr Koval: Ms Sykes actually has—

CHAIR: Did you at least do a first pass to get it to the new legislative framework?

Mr Koval: Ms Sykes has some numbers if you like, if that's—

CHAIR: Take it on notice because I want to get to the other audit.

Mr Koval: Okay.

Answer:

Please refer to the answer provided to IQ24-000026.

Public Accounts and Audit
Answers to questions on notice
Agriculture, Fisheries and Forestry Portfolio

Inquiry: Policy and Program Design and Implementation
Question No: IQ24-000003
Hearing Date: 2 February 2024
Division/Agency: Plant & Live Animal Exports Welfare & Regulation (PLAEWR) G2
Topic: Hearing QoN 3 - Compliance
Hansard Page: 7
Question Date: 02 February 2024
Question Type: Spoken

Senator or Mr/Ms/Mrs/Dr Julian Hill asked:

Ms Lane: One thing I could add is—and we can provide more information on notice if it's useful—I think at the time of the audit we were in the process of reviewing the department's risk management framework. We have also provided clearer guidance across the organisation about how shared risks are identified, managed and reported on, partly in response to this audit's previous learnings as well.

CHAIR: A little more may come through in the table. Before we move on, going through the other thematics that we need for the report, there's compliance. Compliance is key to a regulator. I think the audit, to summarise it, found that you'd established an enterprise-wide compliance policy. The policy was there but it wasn't implemented properly and, particularly, there were no detailed plans sitting under it. That's kind of concerning given one of your primary functions is as a regulator. Is that fixed now? Have you actually done the detailed planning under the enterprise-wide compliance policy?

Mr Koval: The short answer is yes.

Ms Sykes: Almost, Chair. We've almost finalised the draft plan and expect to be consulting across our internal stakeholders by the end of this quarter. By the end of this financial year, the final compliance plan for all of our commodity areas will be in place.

CHAIR: So 2½ years after the leg started you'll have a compliance plan in place.

Mr Koval: We regulate commodity by commodity. We have compliance plans for a commodity, which is what Ms Sykes is talking about. We have a regulatory practice committee. We have a departmental compliance plan. What we're trying to do is bring all these separate ones, these teams and what have you, together to a much more consistent one so, as an export regulator, we have a compliance plan for everything, all as one, rather than these individual compliance plans. It's to reduce any differences and make sure consistency is there for around compliance.

Answer:

As discussed in the ANAO report and identified in the department's 2021-22 corporate plan the department is revising its compliance and regulatory system over four years.

The department's regulatory practice statement and compliance policy were updated and approved in 2023 following machinery of government changes. The department is in the process of drafting a compliance plan for the export regulatory system as is required by the compliance policy, that outlines priorities to address high risk processes and activities including those for registered establishments, accredited properties, authorised officers and approved auditors. The plan will articulate the current priorities and assurance processes that underpin the Export Control Regulatory System. The compliance plan will be distributed to all internal stakeholders from April and finalised in June 2024 to inform 2024-2025 assurance priorities.